# Affordable Housing Production Report

For Period Ending June 30, 2001



# COMMUNITY SERVICES DEPARTMENT

and

# TUCSON METROPOLITAN HOUSING COMMISSION

#### DIRECTOR'S MESSAGE:

February 2002

In these challenging times, it pleases me to report on the efforts of the City of Tucson, the Metropolitan Housing Commission, its partner agencies and the private sector to increase affordable housing in Tucson. In 1996, we set a goal to assist 10,000 families with affordable housing by the year 2000. Last year at this time, we reported that this goal was exceeded, bringing our total number of households assisted to 12,903. We then set a new five-year goal to add an additional 5,000 affordable units by 2005. This report documents the success in the first of the five years with 1,471 affordable units produced during 2001.

Nevertheless, based on the City's Consolidated Plan, over 56,000 low-income households will have difficulty in obtaining decent, affordable housing. The Consolidated Plan estimates that \$500 million dollars would be needed to address this level of need. However, as the traditional available resources for affordable housing are remaining flat, the demand is continuing to grow and the cost of producing housing is increasing. This is an issue we need to address as a community in the near future; establishing local funding to compliment Federal and private resources to develop and maintain affordable housing. Voter approval in November, 2001 of an updated City of Tucson General Plan with a stated goal that ten percent of the City's housing stock be affordable to low income families is a significant step in that direction.

As we face the challenges ahead, I sincerely wish to thank the many individuals who diligently labor to improve the quality of life for Tucson's lower income households. Without these efforts and the leadership of local policy makers and partner organizations we would never have been able to meet, our annual goal of producing an additional 1,000 affordable units in 2001.

Karen Thoreson, Director Community Services Department

# City of Tucson Metropolitan Housing Commission

#### February 2002

On behalf of the Metropolitan Housing Commission, I am pleased to present the Annual Affordable Housing Production Report for fiscal year 2001. The Commission, the City of Tucson, its partner agencies and the private sector have worked this past year to increase the stock of affordable housing in Tucson and to meet our goal of assisting 1,000 new families per year. I am pleased to report that we have surpassed our goal by providing assistance to 1,471 new families this fiscal year.

As the need for affordable housing increases, we must continue to maintain our goal as well as work at identifying strategies to address this expanding need. There is a need to identify new funding resources to meet the ever-increasing demand and to build on our production efforts. With this in mind, the Commission has set as a priority the identification of these resources.

I am hopeful that our continued goal of assisting 1,000 additional families this year will be met and that a variety of resources can be utilized to expand Tucson's affordable housing stock for families in need of safe, decent, affordable housing.

Sincerely yours,

Tom Cowdry Chair Metropolitan Housing Commission

#### Introduction

On September 5, 2000, the City of Tucson Mayor and Council adopted the Affordable Housing Strategies for 2000-2005. This document reflects the City's housing goals which are to expand affordable housing opportunities for low income families in response to current and anticipated affordable housing needs, and to encourage development which benefits the community as a whole, in partnership with private and non-profit agencies, as well as with government agencies.

This report was developed by the City of Tucson Community Services Department and the Metropolitan Housing Commission to establish a baseline and to monitor and track affordable housing production levels in the community.

### **Inventory Criteria**

Included in this report's inventory are:

- housing units located within the Tucson Metropolitan Area
- housing units that are occupied and/or ready for occupancy through June 30, 2001, by households whose income is 0-80% MFI:

Income	Median Family Income (MFI) Levels by Household Size							
Levels	1	2	3	4	5	6	7	8
80%	\$25750	\$29450	\$33100	\$36800	\$39750	\$42700	\$45650	\$48550
50%	\$16100	\$18400	\$20700	\$23000	\$24850	\$26700	\$28500	\$30350
30%	\$ 9650	\$11050	\$12400	\$13800	\$14900	\$16000	\$17100	\$18200

 housing units that were initiated, funded, and/or developed by the city and other government, non and for-profit agencies, and other housing organizations.

# **Housing Categories**

The housing categories included in this inventory are rental units, homebuyer units, rehabilitation, and preservation of affordability.

The inventory is comprised of unit street addresses, in order to prevent duplication in the count of total affordable housing units available in the community.

# **Category Definitions**

- The definitions for the categories of housing included in the inventory are as follows:
- Rental is housing assistance for low income families and individuals in the form of rental subsidy to tenants (Section 8, Conventional Public Housing, etc.) and subsidies provided for acquisition, rehabilitation and new construction of rental housing. Subsidies may be extended to landlords in exchange for rent restrictions/limitations. This category also includes transitional housing defined as housing assistance for low income families and individuals needing shelter and support services for a variety of reasons. The goal of ultimate housing move transitional is an to permanent accommodations.
- Homebuyer is financial assistance to prospective low income homebuyers to purchase a home.
- Rehabilitation is housing rehabilitation assistance where units currently occupied by low income households that do not meet minimum housing standards are renovated. Rehabilitation assistance provided ranges from emergency home repair to replacement of dilapidated units.
- Preservation of Affordability is the acquisition and/or repair of federally subsidized, rental properties which are at-risk of converting into market-rate housing units in order to preserve affordability.

### **Funding Sources**

HOME Investment Partnership Program (HOME): Federal formula grant funding provided via HUD to states and local governments to expand the supply of affordable housing.

Community Development Block Grant Program (CDBG): Federal formula grant funding provided via HUD to states and local governments to provide a variety of community development and housing services.

State of Arizona Housing Fund: HOME funds and State Housing Trust Funds (HTF) allocated to assist local governments and other organizations in providing affordable housing.

Section 8 Rental Assistance Program: Federal funding provided to local housing authorities and certain FHA insured rental complexes to provide rental assistance vouchers to very low-income families.

Public Housing: HUD funding for local housing authorities for operating subsidies and capital improvements for public housing.

HOPE VI: HUD program to provide funds to local housing authorities to address severely distressed public housing projects.

Federal Home Loan Bank Affordable Housing Program (AHP): Grants made by Federal Home Loan Banks to affordable housing projects.

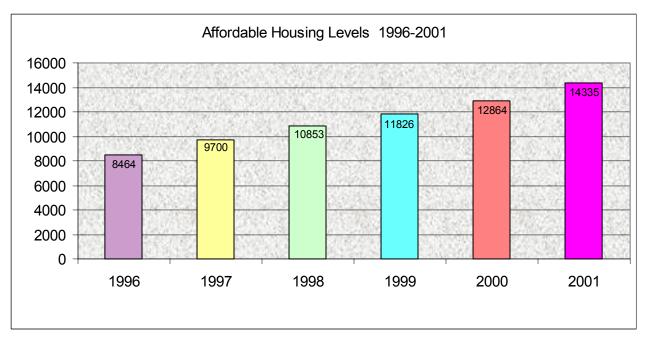
Mortgage Revenue Bonds: Bonds issued by Industrial Development Authorities (IDAs) to provide residential mortgage financing.

Mortgage Credit Certificates: IDA bond financed certificates which provide a federal income tax credit for an eligible homebuyer.

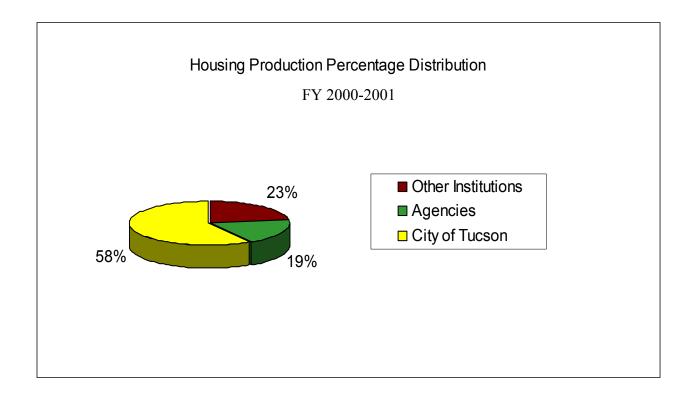
Low-Income Housing Tax Credits (LIHTC): State administered program to provide federal income tax credits to investors in low-income housing projects.

Housing Opportunities for Persons with HIV/AIDS (HOPWA): HUD grants dedicated to the housing needs of persons living with AIDS/HIV and their families.

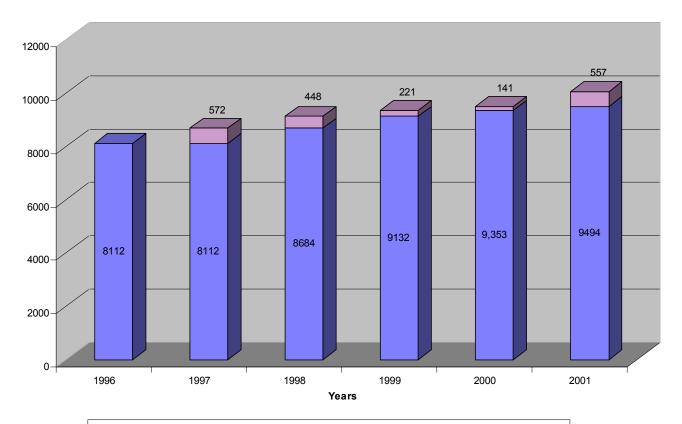
General Funds: Discretionary local government revenues budgeted by local governing bodies for public purposes.



Baseline includes previous year's production.



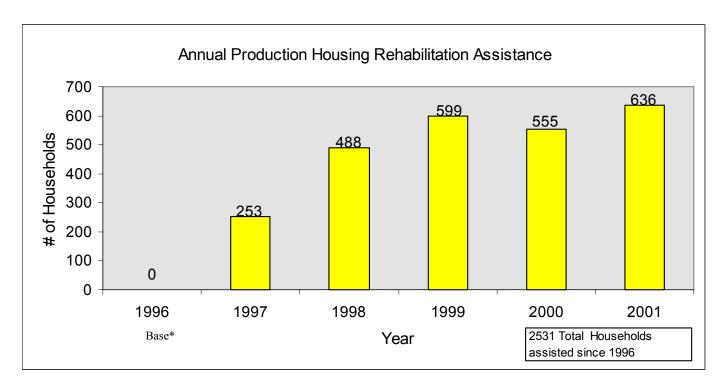
Cumulative Production of Affordable Rental Housing



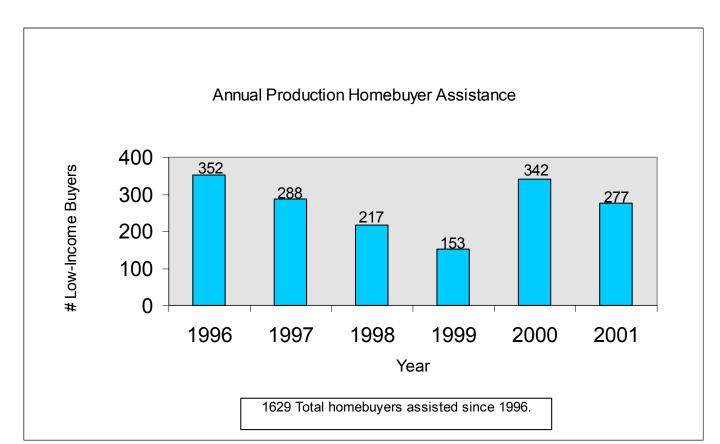
■ Base includes previous year's production ■ Annual Production

The 1996 baseline for rental housing included 1504 public housing units, 3224 Section 8 units, 1643 HUD assisted units, and 995 LIHTC units which are generally maintained as affordable over a long term in the City of Tucson's housing inventory. Many of these units were produced prior to 1996.





<sup>\*</sup>Since housing rehabilitation assistance has been ongoing for over 25 years, it is not possible to determine a baseline number.



## **Production Level Inventory Participants:**

CITY OF TUCSON, Community Services Department

#### AGENCIES:

Barrios Unidos Community Home Repair Chicanos Por La Causa Family Counseling Agency Mental Health Resources Our Town

Primavera Services
TMM Family Services
Tucson Urban League

Christmas in April
Compass

DIRECT Family Housing Resources

Miracle Square Pio Decimo

So/AZ Aids Foundation

Travelers Aid

**United Housing & Education** 

Comin' Home

COPE

Esperanza en Escalante Habitat for Humanity

**Nosotros** 

Primavera Builders

Salvation Army

**Tucson Shalom House** 

#### OTHER:

Arizona Department of Commerce

Metropolitan Housing Corporation

U.S. Dept. of Housing and Urban Development, Tucson & Phoenix Offices

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